ourborders, help Americans overseas and make urgently needed improvements in embassy security. And it could translate into cuts of 50 percent or more in key programs from fighting drugs to promoting democracy to helping UNICEF.

Now, I'm not here to assign blame. We have gotten bipartisan support from those in Congress—including those with us tonight—who know the most about foreign policy. And Congress did approve the President's request for supplemental funds for Central America, Jordan and the Balkans.

But this is madness. America is the world's wealthiest and most powerful country. Our economy is the envy of the globe. We have important interests, face threats to them, and nearly everywhere.

And I hope you agree. Military readiness is vital, but so is diplomatic effectiveness. When negotiations break down, we don't send our soldiers without weapons to fight. Why, then, do we so often send our diplomats to negotiate without the leverage that resources provide? The savings yielded by successful diplomacy are incalculable. So are the costs of failed diplomacy—not only in hard cash, but in human lives.

Tonight, I say to all our friends on Capitol Hill, act in the spirit of Arthur Vandenberg and Everett Dirksen and Scoop Jackson and Ed Muskie: help us to help America. Provide us the funds we need to protect our people and to do our jobs. Let America lead!

As we look around this room, we see depictions of liberty's birth and America's transformation from wilderness to greatness.

From the adjoining balcony, we can see the memorials to Lincoln and Jefferson, the Washington Monument, the Roosevelt Bridge, the white stone markets of Arlington and the silent, etched, cloquent black wall of the Vietnam Wall.

It is said there is nothing that time does not conquer. But the principles celebrated here have neither withered nor worn. Through Depression and war, controversy and conflict, they continue to unite and inspire us and to identify America to the world.

From the Treaty of Paris to the round-the-clock deliberations of our own era, the story of US diplomacy is the story of a unique and free society emerging from isolation to cross vast oceans and to assume its rightful role on the world stage. It is the story of America first learning, then accepting and then acting on its responsibility.

Above all, it is the story of individuals, from Franklin onwards, who answered the call of their country and who have given their life and labor in service to its citizens.

As Secretary of State, the greatest privilege I have had has been to work with you, the members of the Foreign Service and others on America's team.

Together, tonight, let us vow to continue to do our jobs to the absolute best of our abilities, and to tell our stories in language and at a volume all can understand.

By so doing, we will keep faith with those who came before us, and we will preserve the legacy of liberty that was our most precious inheritance and must become our untarnished bequest.

To the men and women of the Foreign Service who are here this evening or at outposts around the world or enjoying their retirement, I wish you a happy 75th anniversary; and I pledge my best efforts for as long as I have breath, to see that you get the support and respect you deserve.

Thank you and happy birthday. (Applause.)●

TRIBUTE TO LEONARD AND MADLYN ABRAMSON FAMILY CANCER RESEARCH INSTITUTE

● Mr. SPECTER. Mr. President, I have sought recognition today to pay tribute to two distinguished Pennsylvanians, Leonard and Madlyn Abramson, upon the establishment of the Abramson Family Cancer Research Institute at the University of Pennsylvania Cancer Center. The $100 million commitment from The Abramson Family Foundation—the largest single contribution for cancer research to a National Cancer Institute-designated comprehensive cancer center—supports the unprecedented expansion of cancer research, education and patient care at Penn's Cancer Center.

The Abramson Family Foundation is a trust fund directed by Leonard and Madlyn Abramson. Mr. Abramson is the founder and former chairman and CEO of U.S. Healthcare, Inc. Best known for his accurate predictions in the changing world of health care over the past two decades, Mr. Abramson believed in HMOs as the best health care alternative in the early 1970s. He went on to build one of the nation's largest and most successful managed care organizations before selling it to Aetna in 1996. Madlyn Abramson is a trustee of the University of Pennsylvania, as well as a member of the Health System's Board of Trustees and the Graduate School of Education's Board of Overseers.

The Abramsons have been supporters of cancer research, as well as numerous other causes, for more than a decade. The family's long and generous history with the University of Pennsylvania Health System includes gifts to endow two professorships and a multi-year grant through the former U.S.Healthcare to the Cancer Center's Bone Marrow Transplant Program.

The Abramson Family Cancer Research Institute has created a revolutionary framework for facilitating innovation in cancer research, enabling the Penn Cancer Center to bring together the best scientists, physicians, and staff and to develop new approaches in an effort to make current treatments for cancer obsolete. John H. Glick, M.D., the Leonard and Madlyn Abramson Professor of Clinical Oncology and Director of Penn's Cancer Center for more than a decade, serves as Director and President of the Abramson Family Cancer Research Institute.

The gift of The Abramson Family Foundation will significantly increase our opportunities to break new ground in the war on cancer—especially in the areas of cancer genetics and molecular diagnosis, from which future research and patient care advances will occur.

The Institute supports leading-edge cancer research through the recruitment of outstanding scientists and physicians from around the world and the design of innovative patient care paradigms. The Abramson pledge propels the University of Pennsylvania Cancer Center—already one of the nation's top cancer centers—to the next level of research and patient-focused care.●

NEW BUDGET MATH

● Mr. KOHL. Mr. President, I rise today to recommend an article that appeared this week on *National Journal's* website. It is ''More New Budget Math'' by Stan Collender and discusses in a very readable way why gross federal debt continues to rise even when the government is running a surplus. The concepts of deficit, surplus, debt, and trust funds lie at the heart of many of our fiercest budget battles, and everyone has an opinion, or a one-liner, about all of them. But these concepts are as technical and difficult to understand as they are controversial, and I always appreciate it when they are explained in a clear manner, as they are in this article.

Mr. President, I ask that the article ''More New Budget Math'' be printed in the RECORD.

The article follows.

[From the National Journal's Cloakroom, June 8, 1999]

BUDGET BATTLES—MORE NEW BUDGET MATH

(By Stan Collender)

This column pointed out a year ago (*June 2, 1998*) that, in light of the surplus, the old mathematics of the federal budget were no longer adequate to explain what was happening. A variety of new calculations would have to become as commonplace as the old measures to move the debate along. Now we have yet another example.

One of the questions I get most these days is, how is it possible for total federal debt to be increasing if there is a surplus? That inevitably leads to someone insisting that there really isn't a surplus at all, and that all the talk about it coming from Washington is just an accounting trick or an X-Files-style government conspiracy.

Here, however, is the new math to explain things:

A federal surplus or deficit is the amount of revenues the government collects compared to the amount it spends during a fiscal year. Whenever spending exceeds revenues the government runs a deficit, and has to find a way to make up the difference. It can sell assets (like gold from Fort Knox, timber from national forests or an aircraft carrier) or borrow from financial markets to raise the cash it needs to cover a shortfall.

But the revenues vs. spending calculation is not as straightforward as it seems. Because of rules enacted in 1990 as part of the Budget Enforcement Act, the federal budget does not show the actual amount of cash the government uses to make loans (i.e., to students or to farmers). Instead, the budget shows only the amount needed to cover the net costs to the government of lending that money.

But because the government lends real money rather than this calculation, its actual cash needs are greater than what is in thebudget. This is not an insignificant amount. OMB is projecting that the fiscal

1999 net cash requirements for all federal direct loans will be $25 billion, which must be financed either by reducing the surplus or, when there is a deficit, by additional federal borrowing. As a result, the actual surplus is a bit lower, and the amount available to reduce debt is lower than is immediately apparent.

Then there are the loans made to the government. When ever it borrows to finance a deficit, the government incurs debt. Conversely, whenever it runs a surplus, debt is reduced. As might be expected given the surpluses that are projected over the next 10 years, this debt, formally known as ''debt held by the public,'' was projected in January by the Congressional Budget Office to fall from its current level of about $3.6 trillion to $1.2 trillion by the end of fiscal 2009.

However, financing the deficit is not the only reason the federal government borrows. Whenever any federal trust fund takes in more than it spends in a particular year, that surplus must be invested in federal government securities. In effect, a trust fund's surplus is lent to the government, so federal debt increases.

CBO's January forecast showed this separate category of debt—''debt held by the government''—increasing from almost $2.0 trillion in fiscal 1999 to $4.4 trillion by the end of 2009.

The combination of debt held by the public and debt held by the government—''gross federal debt''—is increasing, according to CBO, from $5.57 trillion in 1999 to $5.67 trillion in 2000 and $5.84 trillion in 2005.

The bottom line, therefore, is that the measurement of what the government borrows to finance its debt is projected to decline because of the surplus. However, overall federal debt will be increasing because of the growing surpluses in the Social Security and other federal trust funds.

This shows that the situation is neither the budget sophistry nor government conspiracy that some talk show hosts and conservative columnists often make it out to be. It is also hardly unique. Try to imagine the following situation:

Your personal budget is not just in balance, but you are actually running a small surplus each month. Because of that, you are also slowly paying down your credit cards.

The next month, you buy a bigger and more expensive home. Because of lower interest rates and other financing options, your monthly payments actually go down from their current levels so your surplus goes up. As a result, you increase the payments you make each month on your credit cards, so that portion or your debt decreases faster.

However, the bigger and more expensive house you just bought increases the overall amount you have borrowed by, say, $200,000. Your budget is still in surplus, and some of your debt is decreasing, but your overall debt is actually growing substantially.

This is roughly the same situation now facing the federal government, given the new budget math of the surplus.

One more thought: The debt ceiling was raised in the 1997 budget deal to accommodate the deficits that had been projected to require additional federal borrowing through fiscal 2002. But if the limit had not been raised that high in 1997, this new budget math could have meant that Congress would be in the anomalous, ironic, and certainly frustrating situation of having to pass an increase in the debt ceiling at the same time the budget was in surplus. Try to imagine explaining *that* to constituents.

Budget Battles Fiscal Y2K Countdown; As of today there are 54 days potential legislative days left before the start of fiscal 2000. If Mondays and Fridays, when Congress does not typically conduct legislative business are excluded, there are only 33 legislative days left before the start of the fiscal year.

The House and Senate have not yet passed even their own versions of any of the regular fiscal 2000 appropriations bills, much less sent legislation on to the president.

Question Of The Week; Last Week's Question. The statutory deadline for reconciliation is established by Section 300 of the Congressional Budget Act, which shows that Congress is required to complete action by June 15 each year. This year's congressional budget resolution conference report established the deadline as July 16 for the House Ways and Means Committee and July 23 for the Senate Finance Committee to report their proposed changes to their respective houses. But, as a concurrent resolution, the budget resolution did not amend the Congressional Budget Act so the dates are not statutory requirements.

Congratulations and an ''I Won A Budget Battle'' T-shirt to Stephanie Giesecke, director for budget and appropriations of the National Association of Independent Colleges and Universities, who was selected at random from the many correct answers.

This Week's Question. A T-shirt also goes to Amy Abraham of the Democratic staff of the Senate Budget Committee, who suggested this week's question as a follow-up to last week's. If June 15 is the statutory date for Congress to complete reconciliation, what is the official sanction for failing to comply with that deadline? Send your response to *scollender@njdc.com* and you might win an ''I Won A Budget Battle'' T-shirt to wear while watching the July 4th fireworks.●

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2000

On June 8, 1999, the Senate passed S. 1122, Department of Defense Appropriations Act, 2000. The text of S. 1122 follows:

S. 1122

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2000, for military functions administered by the Department of Defense, and for other purposes, namely:

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $22,041,094,000.

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $17,236,001,000.

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $6,562,336,000.

MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $17,873,759,000.

RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 10211, 10302, and 3038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $2,278,696,000.

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Navy Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $1,450,788,000.

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for